

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JANUARY 22, 2018

STATE COURT CLERK
STATE CORP. CONTROL CENTER

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2017-00251

AMERICAN CASUALTY COMPANY OF READING, PA,
CONTINENTAL CASUALTY COMPANY,
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD,
TRANSPORTATION INSURANCE COMPANY, and
VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation performed by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading, PA, Continental Casualty Company, National Fire Insurance Company of Hartford, Transportation Insurance Company, and Valley Forge Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-1906 D of the Code of Virginia ("Code") by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has committed the aforesaid alleged violations.

The Defendants have been advised of their right to a hearing in this matter whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to

the Commission wherein the Defendants have agreed to comply with the corrective action plan in company correspondence dated October 6, 2017, waived their right to a hearing, and confirmed that restitution was made to 1,693 consumers in the amount of One Million Two Hundred Eighty Thousand Nine Hundred Fifty-one Dollars and Ten Cents (\$1,280,951.10) as set forth in company correspondence dated August 14, 2017.

The Bureau has recommended that the Commission accept the offer of settlement of the Defendants pursuant to the authority granted the Commission in § 12.1-15 of the Code.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendants, and the recommendation of the Bureau, is of the opinion that the Defendants' offer should be accepted.

Accordingly, IT IS ORDERED THAT:

- (1) The offer of the Defendants in settlement of the matter set forth herein is accepted.
- (2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Michael P. Warnick, SVP, Deputy General Counsel and Chief Compliance Officer, CNA Insurance Group, 333 S. Wabash Avenue, Chicago, IL 60604; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Rebecca Nichols.